



# The State Bar of California

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## **OPEN SESSION AGENDA ITEM 50-3 JULY 2020**

**DATE:** July 16, 2020

**TO:** Members, Board of Trustees

**FROM:** Steve Mazer, Chief Administrative Officer

**SUBJECT:** Approval of Revisions to Rules and Regulations Pertaining to the Employment of Executive Staff Employees and to the Rules and Regulations Pertaining to the Employment of Confidential Staff Employees

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### **EXECUTIVE SUMMARY**

This agenda item requests the Board of Trustees to approve revisions to the Severance Pay provisions of the Rules and Regulations Pertaining to the Employment of Executive Staff Employees (Executive Staff Rules) and the Rules and Regulations Pertaining to the Employment of Confidential Staff Employees (Confidential Staff Rules).

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### **BACKGROUND**

On May 14, 2020, the Board of Trustees approved revisions to the Executive Staff Rules and Confidential Staff Rules that (1) made changes to benefits and terms of employment comparable or related to those provided to Bargaining Unit staff in the new 2020–2022 Memoranda of Understanding with the employees' union; (2) aligned certain Confidential Staff Rules to the existing Executive Staff Rules; and (3) made various technical cleanup changes required for clarity, accuracy, and consistency.

### **DISCUSSION**

The technical cleanup changes made to the Executive Staff rules in May 2020 included changes to position titles and terminology to reflect the State Bar management structure that was implemented in 2017, which established three general levels of management: The Leadership Team (Chief-level); Senior Executives other than members of the Leadership Team (Deputy Chiefs and Office Directors); and all other Executive staff (Assistant Directors and Managers).

The Severance Pay section of the Executive Staff Rules contains only two levels of management from the pre-2017 management structure: Senior Executives, who receive six months of severance pay upon termination, regardless of length of employment; and all other Executive staff, who receive one month of severance pay for each year of service. A revision to reflect the new three-level management structure should have been included in the May 2020 revision to the Executive Staff Rules, but was inadvertently omitted. Staff therefore recommends that Section 6.C of the Executive Staff Rules be revised as follows:

### **Proposed Executive Staff Rules, Section 6.C**

Upon involuntary termination or upon involuntary resignation, the State Bar shall pay severance pay to the Employee. The amount of such severance pay shall be calculated on the basis of the Employee's position, length of employment with the State Bar as an Executive Staff Employee, and length of continuous service in the position, as follows:

#### A member of the Leadership Team

Six (6) months of salary, regardless of the length of their employment with the State Bar.

#### A Senior Executive Staff Employee Other Than a Member of Leadership Team

Less than one (1) year of continuous service as a Senior Executive	Two (2) months
At least one (1) year but less than two (2) years of continuous service as a Senior Executive	Three (3) months
At least two (2) years but less than three (3) years of continuous service as a Senior Executive	Four (4) months
Three (3) years or more of continuous service as a Senior Executive	Six (6) months

A Senior Executive who promoted from Executive shall receive the severance entitlement of a Senior Executive or Executive, whichever is greater, based on their length of employment.

#### All other Executive Staff Employees

Less than one (1) year of continuous service as an Executive Staff Employee	One (1) month
One (1) year or more of continuous service as an Executive Staff Employee	One (1) month for each completed year of continuous service, up to a maximum of six (6) months

Additionally, the Severance Pay section of the both the Executive Staff Rules and Confidential Staff Rules provide a separating employee with a choice of receiving severance pay either as a lump sum or in monthly installments of up to six months. Due to the administrative burden in making payroll-related payments to separated employees, staff recommends that this provision be revised to eliminate the monthly installment option, as follows:

**Proposed Executive Staff Rules, Section 6.F / Confidential Staff Rules, Section 6.E**

Severance pay shall be paid as a lump sum on the next regular pay date following the Employee's date of separation.

**FISCAL/PERSONNEL IMPACT**

The proposed three-level system for Executive severance has the effect of lowering the severance pay entitlement for Senior Executive staff with less than three years of continuous service, potentially resulting in a cost savings for the State Bar under certain circumstances. Nevertheless, the overall fiscal impact is minimal.

**AMENDMENTS TO RULES OF THE STATE BAR**

Yes. Amendments are sought to the Executive Staff Rules and Confidential Staff Rules as described above.

**AMENDMENTS TO BOARD OF TRUSTEES POLICY MANUAL**

None

**STRATEGIC PLAN GOALS & OBJECTIVES**

Goal: None - core business operations

**RECOMMENDATIONS**

**Should the Board of Trustees concur in the proposed action, passage of the following resolution is recommended:**

**RESOLVED**, that the Board of Trustees adopt the amended Rules and Regulations Pertaining to the Employment of Executive Staff Employees and the amended Rules and Regulations Pertaining to the Employment of Confidential Staff Employees, as set forth above.

**ATTACHMENT(S)**

None